GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1671
ANSWERED ON:31.07.2003
OUTLAY FOR RURAL ELECTRIFICATION
BHARTRUHARI MAHTAB

Will the Minister of POWER be pleased to state:

(a) the outlay for Rural Electrification Corporation during 2003-2004;

(b) whether outlay for the current year has been reduced as compared to the preceding year;

(c) if so, the justification therefor;

(d) whether Orissa is likely to be adversely affected due to this reduction; and

(e) if so, steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRIMATI JAYAWANTI MEHTA)

(a) : The outlay (Budget Estimate) for Rural Electrification Corporation for 2003-04 is given as under :

(Rs. Crore)

(i) Kutir Jyoti (North Eastern States)	-10.00
(ii) Kutir Jyoti (other States)	-90.00
(iii) Interest subsidy under Accelerated Rural Electrification Programme (AREP)	-100.00
Total	-200.00

(b) & (c) : The outlay (Budget Estimate) for the current year under interest subsidyhas been reduced compared to preceding year as subsidy has been phased on declining scale year-wise; 2002-03, being the first year of the subsidy accounted for higher allocation.

(d) & (e) : The allocation of Kutir Jyoti grant for Orissa for the current yeari.e. 2003-04 is Rs.764.52 lakh which is higher than the allocation of Rs.549.15 lakh in the preceding year 2002-03.

The interest subsidy is linked to the drawal of loan for rural electrification schemes. Since power distribution in Orissa has been privatized, the private power utilities have not approached REC for any loans for rural electrification schemes and thusfor interest subsidy. Hence Orissa is not likely to be adversely affected due to reduction in the outlay under interest subsidy.